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Missouri Department of Higher Education

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Coordinating Board approves \$1.4 billion higher education budget

The Missouri Coordinating Board for Higher Education approved a higher education budget request of \$1.4 billion during its Oct. 12 meeting at State Fair Community College.

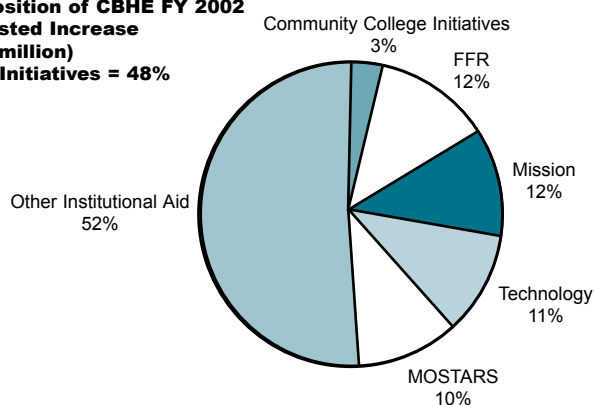
The proposed FY 2002 budget, to be presented to the governor and the Missouri General Assembly in January, totals \$1,440,039,000. Designed to promote access, quality and efficiency in Missouri higher education, the budget is built around the Coordinating Board's five strategic initiatives: institutional mission review and enhancement, student financial assistance, technology-based delivery systems, postsecondary technical education and performance-based funding.

Over \$17.8 million was recommended to fund the mission enhancements of Harris-Stowe State College, Lincoln University, Truman State University and the University of Missouri. Other public four-year institutions received their last installments of mission enhancement funding in FY 2000 and FY 2001, at the completion of their respective mission implementation plans. The purpose of the mission implementation

plans approved by the Coordinating Board in 1995 is to encourage institutions to focus on a few key areas to promote specialization and quality and minimize program duplication among Missouri's colleges and universities.

The Coordinating Board also made a recommendation of \$16.3 million to fund a new comprehensive technology

Composition of CBHE FY 2002 Requested Increase (\$151 million)
CBHE Initiatives = 48%



plan. The plan will facilitate the efficient sharing of resources while maintaining institutional differentiation and specialization. The recommendation includes an increase of \$3.4 million for MOREnet, the state network providing high-speed Internet access for faculty and students at Missouri's public colleges and universities as well as for K-12 schools, community networks, libraries and government agencies, and \$2.4 million for MOBIUS, a consortium that provides a common

Colleges, universities study balance of containing costs and preserving quality

National experts on analyzing costs and quality standards and college and university leaders from throughout the state shared strategies for containing costs while maintaining quality during the Cost Containment and Continuous Quality Improvement in Higher Education Conference, held Sept. 27-28 at the University of Missouri-Columbia.

Dr. Harry Hertz, director of the Baldrige National Quality Program for the National Institute of Standards and Technology, opened the conference with a look at the lessons learned from years of educational self-assessment using the Baldrige Performance Excellence Program.

According to Hertz, role-model institutions demonstrate six common characteristics. They have visionary senior leadership, are focused on customer satisfaction and know how to measure it, think strategically, understand their customers and markets, are process driven and



Dr. Harry Hertz, director of the Baldrige National Quality Program for the National Institute of Standards and Technology, opens the conference with a look at the lessons learned from years of educational self-assessment using the Baldrige program.



Left to right: Mohammad Qayoumi, California State University-Northridge; President Dean Hubbard, Northwest Missouri State University; Jim Cofer, University of Missouri and James Johnson, Indiana University-Purdue University Indianapolis participate in the micro-cost analysis panel.

are characterized by high-performance work systems.

He stressed the importance of measurement and results. "Without a focus on results, there is no way the institution will improve," said Hertz.

Dr. William Massy, president of the Jackson Hole Higher Education Group, introduced the topic of micro-cost analysis. He demonstrated how activity-based costing could be used to break down costs by activity and, ultimately, help institutions find lower-cost processes that produce better quality than their higher-cost counterparts.

As part of a project funded by a grant from the Alfred P. Sloan Foundation, Northwest Missouri State University has integrated activity-based costing techniques into its own quality management process.

Several conference breakout sessions explored how Northwest and other institutions have used this approach or process reengineering to streamline processes and realize cost savings in administrative, support and

academic areas without compromising quality.

Using its Quality/Activity-Based Costing Model, Northwest followed a seven-step process to improve the responsiveness and cut the costs of its environmental support (maintenance, custodial and landscaping) services, allowing the savings to be reallocated to other areas such as instruction, scholarships and research.

The University of Missouri System streamlined administrative processes through process reengineering, which has enabled the university to focus its process redesign efforts in the areas of greatest need, reducing the time spent on activities such as paper transactions, unnecessary review and approval, and shadow systems.

The University of Missouri-Rolla used activity-based management to attain significant savings in several areas. For example, by analyzing the type and rate of accidents and concentrating a better safety program

See **CONTAINING COSTS**, page 3

CONTAINING COSTS, from page 2

in only a few areas, workers compensation costs decreased from \$159,876 in 1996 to \$52,351 in 1997 and to just \$11,839 in 1998.

Dr. John Minter, president of Minter Associates, introduced macro-cost analysis with a discussion of the use of ratio analysis in higher education to identify better practices through internal and inter-institutional comparisons.

“Ratio analysis is a tool that gives you the ability to see your position in performance relative to the industry and other higher education institutions,” said Minter. “From that, you can see where you need to improve.”

Macro-cost analysis breakout sessions provided examples of how colleges and universities can become more cost effective through computerized energy management, outsourcing, joint purchasing and the use of alternative fuels.

For example, Southwest Missouri State University implemented an energy conservation program that

saved the university \$3.7 million in only a few years.

To remedy a student housing shortage, the University of Missouri-St. Louis outsourced its student housing. This has led to greater interest in the university among students from out-state Missouri and southern Illinois and students from the St. Louis area who want to live away from home.

Northwest Missouri State University realized savings of over \$1,780,000 by using alternatives to natural gas and oil, such as wood waste and recycled paper pellets, as energy sources.

In the closing plenary session, members of the Missouri General Assembly and the Coordinating Board for Higher Education presented policies and practices to encourage cost savings and ensure affordability.

The conference was an outgrowth of several significant commitments to find ways to make college more affordable, including the



Dr. William Massy, president of the Jackson Hole Higher Education Group, demonstrates how colleges and universities could use activity-based costing.

recommendations of the Missouri Commission on the Affordability of Higher Education and the implementation of the Alfred P. Sloan Foundation grant to Northwest Missouri State University.

Corporate sponsors of the conference, including PeopleSoft, ARAMARK, ServiceMaster and Johnson Controls, Inc., displayed information on the products and services they provide that can help contain costs in the higher education environment.

The Alfred P. Sloan Foundation, Northwest Missouri State University, the University of Missouri and the Coordinating Board for Higher Education also sponsored the conference. 🍏



Dr. John Minter, president of Minter Associates, introduces the topic of macro-cost analysis with a discussion of the use of ratio analysis in higher education.

Institutions complete mission review cycle

FY 2000 marked the end of the first phase of the current cycle of mission review for Missouri's public colleges and universities.

In October 1995, the Coordinating Board for Higher Education approved mission implementation plans based on mission reviews and recommended first-year mission enhancement funding for the Phase I institutions, Southwest Missouri State University, Missouri Southern State College, Missouri Western State College, the community colleges and Linn State Technical College. The purpose of the plans is to encourage institutions to focus on a few key areas to promote specialization and quality and minimize program duplication among Missouri's colleges and universities.

This year, the Phase I institutions reported the results of the state's investment in their mission enhancement plans.

Southwest Missouri State University, a master's degree-granting, selective admissions institution with a statewide mission in public affairs, a two-year branch

language majors, incorporated international themes into the curriculum and developed foreign exchange programs for students, faculty and businesses. In addition, the college formed a partnership with Webster University to provide additional access to foreign exchange programs.

Missouri Western State College, a baccalaureate degree-granting, open enrollment admissions institution focusing on learner success, was appropriated \$2,908,400 to complete its mission enhancement plan. The college established Access Plus, which has been nationally recognized for improving academic success and increasing retention to graduation for under-prepared high school students. As a result of Access Plus, the percentage of freshmen who successfully complete their first year at the college is approaching the board's goal of 55 percent. In addition, Missouri Western provides cooperative postsecondary technical education degree programs through a unique relationship with N.S. Hillyard Area Vocational Technical School.

Missouri's community colleges also have made progress in their mission as associate degree-granting institutions with open enrollment admissions specializing in workforce development. They received \$75 million to enhance the delivery of postsecondary technical education on campus and throughout their voluntary service regions. During the five-year cycle, they have established new associate of applied science degree programs in manufacturing and industry and increased geographic access by delivering postsecondary technical education in partnership with the state's area vocational technical schools. The community colleges currently are working on developing four strategic initiatives for enhancing community college education over the next five years.

Linn State Technical College, the state's public two-year technical college, was appropriated \$5,540,533 to implement its five-year master plan. The institution is making the transition to becoming the state's only two-year technical college and completed its self-study and achieved North Central Association accreditation.

One important step Linn State has taken is an increase in the number of degree-holding faculty. The college also has implemented five new advanced technological programs, bringing the total to 21. These include programs in civil and construction engineering management, networking systems engineering technology, telecommunications engineering technology, electrical distribution systems and integrated manufacturing technologies. Three other instructional programs were discontinued after they were determined to be

The purpose of the plans is to encourage institutions to focus on a few key areas to promote specialization and quality and minimize program duplication among Missouri's colleges and universities.

campus in West Plains and a research station in Mountain Grove, was appropriated \$10,506,365 to complete its mission enhancement plan. During the mission review and enhancement period, Southwest met its goal of increasing the number of master's degree programs and the proportion of its total full-time graduate student enrollment by adding 19 master's degree programs, joining the University of Missouri-Columbia in offering a cooperative Ed.D. program, increasing graduate student enrollment by 4 percent and adding associate of applied science degree programs at its West Plains campus.

Missouri Southern State College, a baccalaureate degree-granting, moderately selective admissions institution emphasizing international education, was appropriated \$2,390,090 for its mission enhancement. Missouri Southern established an Institute for International Studies and new foreign

Missouri awarded GEAR UP state grant

The Missouri Department of Higher Education has been awarded \$7.5 million in federal funding for programs designed to increase the high school graduation and college attendance of students from Missouri middle schools with high poverty and dropout rates.

The U.S. Department of Education awarded Missouri \$1,095,833 for the first year of a five-year grant under the Gaining Early Awareness and Readiness for Undergraduate Programs initiative.

As part of the 1998 reauthorization of the Higher Education Act, GEAR UP funds partnerships of high-poverty middle schools, colleges and universities, community organizations and businesses to work with entire grade levels of students (typically beginning with sixth or seventh grade). The partnerships provide tutoring, mentoring, information on college preparation and financial aid, an emphasis on core academic preparation and, in some cases, scholarships.

The GEAR UP Missouri project targets middle schools with high dropout rates and low college attendance rates; with at least 50 percent of the student body qualifying for the free or reduced-rate lunch program; with low student academic achievement and low participation in college preparatory courses; serving communities with high concentrations of poverty and low expectations of, exposure to and knowledge of higher education opportunities; and with limited after-school or summer academic programs.

The project involves after-school programs and summer institutes offering academic support and personal enrichment for more than 3,000 sixth grade students at 9 middle schools in Kansas City, St. Louis and southeast Missouri.

The project partners will assist students in preparing for college as they advance through middle and high school. The interventions will include mentoring, academic support and information about college admission and financial assistance opportunities (including GEAR UP scholarships) as well as parent education and teacher professional development.

One of the goals for the GEAR UP state grant is to improve the knowledge of and opportunities for Missouri families to receive financial assistance. The GEAR UP Missouri project includes a scholarship that will provide an additional incentive for GEAR UP students to attend a Missouri college or university.

In addition to the GEAR UP state grant, the U.S. Department of Education has awarded GEAR UP partnership grants to the University of Missouri-Columbia, the University of Missouri-Kansas City, the University of Missouri-St. Louis and Southeast Missouri State University. MOSTARS, the student assistance division of the Missouri Department of Higher Education, is a partner in each of these projects and will implement the state grant. 🍏

GEAR UP Missouri Project Partners

State Agency Partners

Missouri Department of Higher Education
(designated state agency)
Missouri Department of Elementary and
Secondary Education
Missouri Department of Economic
Development

Kansas City School District

J. A. Rogers Middle School
K.C. Middle School of the Arts
Northeast Middle School
Paul Robeson Middle School

St. Louis Public School District

Blewett Middle School
Blow Middle Community Education Center
Compton-Drew Middle School
Fanning Middle Community Education Center
Humboldt Middle School
Langston Middle School
Long Middle Community Education Center
L'Ouverture Middle School
Pruitt Military Academy
Bunche International Studies
Stevens Middle Community Education Center
Yeatman Middle Community Education Center

St. Louis County

Hancock Place School District - Hancock
Place Middle School

Southeast Missouri

Caruthersville School District -
Caruthersville Middle School
Hayti R-II School District - Hayti Junior
High School

Proprietary School Certification Program revises rule

At its October meeting, the Coordinating Board voted to approve proposed revisions to its administrative rule related to the certification of proprietary schools.

The Coordinating Board has the authority to certify certain postsecondary education providers in order to ensure the legitimacy of programs and schools and the availability of financial and educational safeguards for students.

The influence of technology-mediated educational delivery and the pursuit of emerging educational markets brought about changes in higher education that necessitated the rule revisions.

The revisions include an expansion of the definition section, a clarification of exemptions from the certification

requirements, a clarification of the applicability of certain requirements for the telecommunicated delivery of instruction, an explanation and expansion of program

standards, a requirement for more complete information for notification and data reporting to the department, additional definitions and standards for the certification of branch campuses and extension sites, and improvements in structure and language.

The proposed rule will be filed with the Secretary of State to proceed with the administrative rule process, which includes a 30-day public comment period after publication in the *Missouri Register*. 🍏

The text of the proposed rule is available online at www.mocbhe.gov.

Missouri K-16 Coalition continues effort to improve student performance

During its October meeting, the Coordinating Board for Higher Education reaffirmed its commitment to sponsor the Missouri K-16 Coalition. The coalition, a partnership sponsored by the Coordinating Board, the State Board of Education and the University of Missouri Curators, was formed in December 1997 to develop policy recommendations to improve student performance and promote a seamless transition between K-12 and postsecondary education.

The coalition's future work will focus on improving teacher quality and student performance. A task force,

to be appointed by the end of the year, will develop recommendations aimed at enhancing and sustaining a quality teaching workforce, improving minority participation and success at every educational level and improving the performance of all students through the alignment of the curriculum and assessment.

The task force is expected to present its final report, which will include an accountability system to monitor the state's progress, in February 2002. 🍏

Midwestern Higher Education Commission releases student survey results

The Midwestern Higher Education Commission has released the findings of its recent survey of nearly 700 Midwest Student Exchange Program participants. MHEC created the exchange program to increase interstate educational opportunities for students in Kansas, Michigan, Minnesota, Missouri and Nebraska. The program enables students to enroll in selected institutions at reduced tuition levels.

The 208 responses to the survey provide a new way of looking at the exchange program. While input from the institutions is helpful, MHEC felt that students could provide insight not available from the institutional perspective.

Half of the students who responded to the survey credited their admissions counselors with providing the majority of the information they received about the MSEP and its reduced tuition benefits. Thirty-two percent said they received information from other

sources, including their respective institutions, financial aid offices, athletic coaches and friends. Just over 13 percent indicated they had obtained information from their high school guidance counselors.

When asked to indicate the role the MSEP played in their decision to attend a particular institution, only five students reported that the MSEP

**For more information,
visit the MHEC web site
at www.mhec.org.**

was the sole reason for their choice. The majority (71 percent) indicated that the MSEP was one of many factors considered in their decision. According to 27 percent of the survey respondents, MSEP did not play any role in their decision. Ninety-one percent of the students indicated that they either were satisfied or very satisfied with the MSEP deduction,

while only 6 percent was dissatisfied or very dissatisfied.

After examining a copy of the current MSEP brochure, nearly all of the students felt it adequately explained the program and its benefits. In addition, 91 percent of the respondents thought it was easy or very easy to apply for and receive MSEP tuition status. The remainder either was neutral in their response (7 percent) or found it difficult or very difficult (2.4 percent) to apply for and receive MSEP tuition status.

The survey concluded with an invitation to students to express their feelings about the MSEP or its guidelines at their institution. While the majority of students responded positively, they also made suggestions for improving the MSEP and explained difficulties they had encountered as they worked through the MSEP process. MHEC will use these responses to improve and, in time, expand the exchange program. 🍏

MOHELA offers student loan interest rate reductions

Missouri teachers and other student loan borrowers now can benefit from lower interest rates on their student loan debts.

The Missouri Higher Education Loan Authority has implemented a new Teacher Interest Rate Reduction Program to help Missouri teachers repay their student loans. The program, announced by Gov. Mel Carnahan on Aug. 18, could benefit 15,000 Missouri elementary and secondary educators who have student loans owned and serviced by MOHELA.

For teachers who qualify, the maximum 8.25 percent rate dictated by federal law will be voluntarily reset to a maximum of 6 percent by MOHELA. Teachers can have their interest rates lowered further to a maximum

of 4 percent if they make payments on time and set up automatic payments from their accounts.

MOHELA borrowers in other career fields also may qualify for the 2 percent reduction if they set up automatic payments.

For more information about the interest rate reduction programs, MOHELA borrowers may call the MOHELA customer service line at (800) 6MOHELA or access MOHELA's web site at www.mohela.com.

MOHELA and MOSTARS, the student assistance division of the Missouri Department of Higher Education, work together to increase the accessibility of Missouri higher education for Missouri citizens. 🍏

BUDGET, from page 1

library system for Missouri public and independent academic libraries. It also includes \$460,076 for the Missouri Learners' Network, which will provide a single web-based access point for information about off-campus, technology-mediated courses; \$8.7 million for campus technology infrastructure and \$1.25 million for the Distributed Learning Workshop, which will foster faculty collaborations to develop technology-based course materials in Missouri.

The Coordinating Board approved a request of more than \$50.4 million for student financial assistance in FY

2002. The board oversees seven state student financial assistance programs as well as the Missouri Student Loan Program.

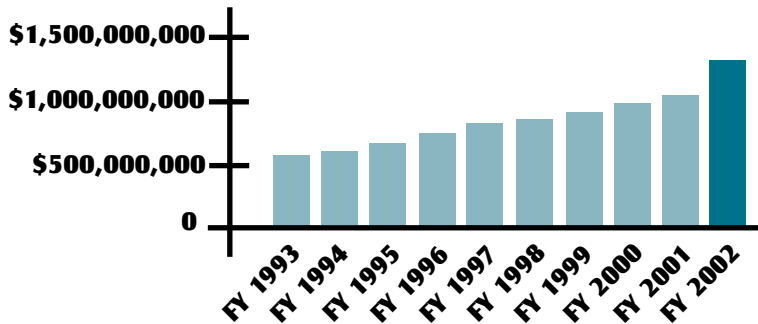
The board also approved a request of \$5 million for the community colleges' targeted service initiatives. These initiatives will increase college attendance rates among public high school and GED graduates located within the colleges' taxing districts, create a few quality centers of programmatic excellence in technical education, develop and operate a web-based statewide associate of arts degree and promote economic

development by educating and training employees and serving employers through collaboration with the Department of Economic Development and the state's one-stop career centers.

Almost \$18.4 million is being recommended for the board's performance-based funding initiative, Funding for Results. Funding recommendations for each public college and university are based on its ability to produce results in areas such as the success of underrepresented groups, the quality of prospective teachers, graduation rates, freshman completion rates, job placement, the performance of graduates on assessments in general education and the students' majors, and campus teaching and learning improvement projects.

In addition to the operating budget recommendations, 29 capital improvement requests were approved, totaling \$6.9 million for the community colleges and \$137.4 million for the public four-year colleges and universities and Linn State Technical College. 🍷

State Appropriations to Higher Education



At left: Dr. Donald Proctor, president of the State Fair Community College Board of Trustees, visits with CBHE member Sandra Kauffman after their joint meeting to discuss the college's campus-wide master planning and development of outreach programs as part of the state's investment in technical education. The joint meeting was held in conjunction with the October CBHE meeting at State Fair.



At right: Ken Brown, SFCC trustee, (standing, left) welcomes Marie Carmichael, CBHE vice chair, and Jim Summers, Jr., CBHE member, to the State Fair campus.

New leaders at Missouri colleges, universities

Name	Title	Institution
Dr. Henry Shannon	Chancellor	St. Louis Community College
Dr. Ronald Smith	Acting President	St. Louis Community College at Forest Park
Dr. Martha Gilliland	Chancellor	University of Missouri-Kansas City
Mr. Thomas Gordon	Interim President	Avila College
Dr. Fletcher Lamkin	President	Westminster College
Dr. James McCarthy	Interim President	Missouri Western State College
Mr. Malcolm Wilson	Interim President	Blue River Community College
Dr. Jackie Snyder	President	Penn Valley Community College
Dr. David Sallee	President	William Jewell College
Dr. Gary Thomas	Chancellor	University of Missouri-Rolla

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incompatible with the college's mission. Each degree program now includes a minimum general education core totaling 25 percent of its graduation requirements. In addition, Linn State has consistently placed a high percentage of graduates in jobs related to their degrees, averaging almost 91 percent between 1995 and 1999. The college also exceeds state goals for freshman success rates and graduation rates for two-year institutions.

The Phase II institutions, Central Missouri State University, Northwest Missouri State University and Southeast Missouri State University, received their last installments of mission enhancement funding in FY 2001. The current cycle of mission review will conclude when the Phase III institutions, the University of Missouri, Lincoln University, Harris-Stowe State College and Truman State University, receive their

last installments of mission enhancement funding in FY 2002 and report their results.

With the completion of the first cycle of mission review, the Phase I institutions will begin a new review cycle under guidelines established by the Coordinating Board in April 1999. Under the guidelines, each institution will develop a needs assessment of institutional actions and initiatives necessary to meet its agreed-upon mission, an assessment of the degree to which its original goals and results were accomplished, an assessment of its agreed-upon mission, a strategic plan for FY 2002 to FY 2006, a statistical profile, a financial analysis of its fiscal condition and an assessment of the condition of its physical plant. 🍏

CBHE *Calendar*

Workshop for Trustees, Governor's Conference and CBHE Meetings

December 6-7, 2000
Holiday Inn Select Executive Center, Columbia*

CBHE and Presidential Advisory Committee Meetings and Transfer and Articulation Conference

February 8, 2001
Tan-Tar-A, Osage Beach

CBHE and Presidential Advisory Committee Meetings

April 12, 2001
Logan University/Missouri Higher Education
Loan Authority, Chesterfield

Higher Education Learning and Information eXchange Conference

March 22-23, 2001
Tan-Tar-A, Osage Beach

CBHE and Presidential Advisory Committee Meetings

June 7, 2001
Crowder College, Neosho

CBHE and Presidential Advisory Committee Meetings

October 11, 2001
Linn State Technical College, Linn

Governor's Conference and CBHE Meeting

December 6, 2001
Kansas City

* Note change in date and/or location

Academic Program Actions

New academic programs and changes in existing academic programs submitted by both public and independent institutions are reported at each Coordinating Board meeting. Check our web site at **www.mocbhe.gov** for the most recent academic program actions.

CBHE *News*

Missouri Department of Higher Education
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FIRST CLASS

CBHE News is published by the Missouri Department of Higher Education to inform Missouri's higher education community of Coordinating Board for Higher Education actions and higher education events. Copies are distributed to CBHE members, institutional governing boards and presidents, higher education associations, the Missouri General Assembly, Gov. Roger B. Wilson and other interested Missouri citizens.

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